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SUBJECT: Super Election Year in Germany Begins with Probable CDU-FDP
Win in Hesse

REF: 07 Frankfurt 3300

Sensitive but unclassified; not for internet distribution.

¶1. Summary: The state of Hesse kicks off Germany's "Super Election Year" with its own state elections on January 18, in what will likely be a win for the CDU and FDP and a painful loss for the SPD. The CDU and FDP are also courting each other as partners at the national level. After an inconclusive election in January 2007 left the CDU in power in Hesse in a caretaker role, the SPD has bungled two attempts to form a government with the Greens supported by the Left Party, leaving it deeply unpopular and necessitating a new election. CDU Minister President Roland Koch now appears likely to ride the SPD's errors and his image as competent on economic issues to victory in a year with several state elections, a European Parliament election and, finally, a federal election in September. The national SPD will want to put this election behind it as quickly as possible, and focus on the national campaign ahead. End Summary.

CDU: IT'S THE ECONOMY, STUPID

¶2. With the January 18 Hesse election less than two weeks away, current polls in the state give the Christian Democratic Union (CDU) 41% of the vote and the Free Democratic Party (FDP) 13%, leaving the two likely coalition partners with a solid majority. This would end the caretaker government led by the CDU since the January 2007 election, during which time the Social Democratic Party (SPD) failed twice to form a SPD-Green minority government with the support of the Left Party (see reftel). The SPD has been punished in the polls, trailing badly at 25% (down 11% from the 2007 election result), while the Greens poll at 13% and the Left Party at 5%. Koch has said that he will only govern with the FDP, formalizing the polarization of the five parties into two blocs.

¶3. In what may be a preview for this year's state elections in Saarland, Brandenburg, Thuringia and Saxony, as well as the federal election, Koch has run a professional, low-key, carefully controlled campaign, telling the voters they can rely on strong CDU leadership in a period of economic recession. This campaign strategy is a marked departure from 2007, when Koch ran on a divisive and ultimately unpopular platform of cracking down on violent crime committed by immigrant juveniles. Koch, who has been Minister President since 1999, recently announced a 1.7 billion euro infrastructure spending project to stimulate the state economy, and has been a leading voice of the national party on economic issues in his role as deputy chairperson. Both the CDU and FDP have campaigned on the viability of Germany's social market economy in tough times and taken credit for its relative success. FDP lead candidate Joerg-Uwe Hahn has gone as far as to bash U.S.-style market capitalism, calling financially-troubled General Motors (the parent company of Hesse-based Opel) a "rotten locust."

SPD: MANY WAYS TO LOSE

¶4. The SPD has mounted an uninspiring campaign and appears

incapable of resurrecting itself after an internal fiasco in which four party members refused to vote for the minority government that would have unseated Koch. Although the deeply unpopular former lead candidate Andrea Ypsilanti has stepped aside for the relatively young and unknown Thorstsen Schaefer-Guembel, she has stayed on as Hesse's party chairperson, signalling that the party has not changed significantly. National party chairman Franz Muntefering has now said publicly that state-level parties must still consider cooperation with the Left Party, and Schaefer-Guembel says that "all options are on the table." The Left Party remains above the 5% threshold in the polls, leaving the SPD with no way to govern without its support, should election results match or exceed current polls.

¶5. Comment: If the CDU and FDP succeed in forming a coalition government in Hesse, they will receive a strong and early boost going into the other upcoming elections. The less likely prospect of a SPD, Green, and Left Party majority would force the SPD to agonize publicly once again over the controversial idea of working with the Left Party. A weak showing for the SPD in Hesse might, however, have a silver lining for the national party, by allowing it to put behind the bitterly divisive debate in Hesse over cooperation with the Left well before the federal election in September. End Comment.

¶6. This cable was coordinated with Embassy Berlin.
POWELL